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BAUCUS ANNOUNCES MARKUP OF JOBS BILL ESTABLISHING PERMANENT NORMAL TRADE RELATIONS WITH RUSSIA

<u>With Russia Joining the WTO, Finance Chairman's Mark Will Enable U.S. Businesses to Capitalize on</u>
Increased Market Access

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today released his Chairman's Mark of a bill to establish permanent normal trade relations (PNTR) with Russia and remove Russia from the 1974 Jackson-Vanik amendment, which will enable U.S. businesses to capitalize on Russia's growing market. Baucus also scheduled a markup to take place at 9:30 a.m. on Wednesday, July 18, in Room 215 of the Dirksen Senate Office Building. Baucus's bill would support and create thousands of U.S. jobs across every sector of the American economy, including manufacturing, agriculture and services, by helping double U.S. exports to Russia within five years.

"Increasing our exports to Russia will help create new jobs and give America's economy the shot in the arm it needs. Our exports to Russia will double within the next five years if we pass PNTR soon, which will mean thousands of jobs supported or created across the country. And this economic boost will come at no cost to us whatsoever. We will not have to change one single tariff or trade law," Baucus said. "Russia is joining the WTO no matter what Congress does – their legislature has already voted and put the wheels in motion – so we need to act soon. My bill will put American businesses, farmers, ranchers and workers in a position to succeed and grow, and that's exactly what our economy and workers need."

Russia's lower house of parliament, the State Duma, <u>recently approved an agreement</u> to join the World Trade Organization (WTO). Russia's upper house, the Federation Council, is expected to take up the measure soon, after which Russia will officially join the WTO 30 days later. As part of the "accession" process, as it is known, Russia will lower tariffs and increase market access for foreign businesses from countries with which it has permanent normal trade relations. Congress must pass legislation establishing PNTR by the time Russia joins the WTO for U.S. businesses to see the full economic benefits of the deal.

Annual U.S. exports to Russia currently total \$9 billion per year, and they would double within five years if Congress passes PNTR. Russia is already the world's seventh-largest economy, and it could surpass Germany and Japan by 2040, meaning the long-run gains of increased exports there would be even greater.

Unlike a free trade agreement, the United States will not provide any market access benefits, lower any U.S. tariffs, or make other changes to its trade laws as a result of Russia's WTO accession. PNTR simply allows American businesses to take advantage of Russia's concessions. These include: additional market access for U.S. service providers; improved intellectual property enforcement; higher quotas for U.S. beef, poultry and pork producers; decreased domestic agriculture subsidies; consistent science-based sanitary and phytosanitary (SPS) measures; and new dispute settlement tools to enforce WTO rules.

The Chairman's Mark also includes provisions that establish PNTR with Moldova.

As detailed <u>in a June letter</u>, Baucus also intends for the Committee to consider on Wednesday the Magnitsky Act sponsored by Senators Ben Cardin (D-Md.) and John McCain (R-Ariz.).

The Finance Committee will also markup three other proposals: a modified version of the Enforcing Orders and Reducing Customs Evasion (ENFORCE) Act; a proposal to establish, renew, or modify the citrus, wool and cotton trust funds; and a proposal to amend provisions of the African Growth and Opportunity Act (AGOA) and the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) and to reauthorize and renew Burma sanctions.

Who: Senate Finance Committee

U.S. Senator Max Baucus (D-Mont.), Chairman

What: Markup of Russia PNTR Bill

Where: Dirksen Senate Office Building 215

Washington, D.C. 20510

When: Wednesday, July 18, 2012

10:00 a.m.

Media are encouraged to attend the markup or to view the webcast at http://finance.senate.gov/hearings.

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